

Vicky Kent-Haire
CLARK COUNTY ASSESSOR
501 E. Court Ave., Room 111
Jeffersonville, IN 47130
812-285-6228

April 30, 2015

An Overview of Clark County's 2015 Annual Trending

The following steps were taken to conduct the 2015 annual trending Clark County:

General Overview:

Overall the Clark County market was very active over the last 14 months. Sales used in the ratio study increased from 1409 (2014 study) to 1676 (2015 study). On average, the Indiana Housing Market report indicates that the median home price increased by 5.9% based upon approximately 1600 sales. This type of increase was also experienced in sales that were validated within the county office. However, this type of increase was not reflected in all areas, per the county's neighborhood delineations. Foreclosures and short sales have tapered off but do remain in certain areas. Some areas continue to experience small loses, while some have experienced small to double digit gains. New construction has also increased and is heavy in areas that were platted a few years back. Additionally, neighborhoods that started and stalled during the housing down turn has also seen high activity in terms of sales and increased pricing. Commercial and Industrial activity remains soft. The new housing starts are predominately being constructed by developers/builders with very little to no custom built projects. As a result, vacant land sales are almost non-existent. Within the planned neighborhood development areas, developers are just transferring lots to other developers/builders. There was no time adjustment of any sales, due to the inconsistency in sales prices throughout the county and the minimal amount of data available. Selling prices were related more to the individual properties and locations as opposed to time.

The newly updated cost tables, depreciation year and the revised location code multiplier (LCM) were implemented as directed. As a result of implementing these state changes, the effect was an overall decrease in the improved residential properties. This change was the exact opposite of what the housing market sales data demonstrated. Sales were the primary base for any neighborhood changes within the residential market. Additional information such as appealed properties and the net result of the cost table updates and location code multiplier change was also taken into consideration when determining the appropriate neighborhood/market adjustment factor.

Land Values:

Land base rates were reviewed and as a whole were left unchanged. Where necessary, a few neighborhoods incurred minimal changes based upon recent sales information. Vacant land sales are minimal throughout the county. The township of Silver Creek has an extremely low COD (3.080%). This is a result of only six (6) sales. Of the six (6) sales, four (4) of the sales were experienced in the neighborhood 10085045. This neighborhood is set up with all lots having a site value of \$27,000. All 4 sales were transacted at an amount of \$27,000 per lot. Without these 4 sales, there would have been virtually no activity (2 sales) in this township. This township also experienced very little activity in 2013 as there was only 4 sales during that time period.

Market Adjustment Factors (Residential):

Clark County has approximately 490 residential neighborhoods defined. As a result of the depreciated year change and LCM change almost every parcel was affected in some manner. As stated above, the number of sales transactions has increased. The percentage of value change is not constant throughout the entire county. Neighborhoods that experienced greater than 5 sales, this was the determining factor in adjusting neighborhood factors. The predominate trend was an increase and this overall trend was applied to those areas throughout the taxing district, when deemed necessary. However, some neighborhoods did experience some downward trend or no change. The determining factor in these areas was also sales or the type of improvement.

Cost Table Updates (Commercial/Industrial):

The new depreciation year and LCM update was the starting point for updating commercial and industrial improvement values. With very limited number of sales and a soft C & I economy, there wasn't much change in this grouping. New construction has taken place, especially within the River Ridge Development area which continues to see many new large distribution and manufacturing facilities locate to the area. With the limited number of sales, especially in the smaller townships, this resulted in the combination of all other townships (county wide). Sales for industrial properties are almost non-existent, thus sales dating back to 2011 were used. The COD is extremely low (3.858%) but this is the result of so few sales. There was only 1 sale occurring this year. The remaining used parcels that transacted last year experienced change based solely on the updated depreciation year. The COD for this grouping in the 2014 ratio study was also extremely low (4.318%) and in the prior year (2013) it was only 1.471%. Once again, this statistic has very little meaning due to the very limited number of sales and properties throughout the county. There is only a total of 179 improved industrial parcels county wide and only 3 townships have greater than 25 improved industrial properties.

Use of Sales information

Clark County is committed to utilizing as many valid sales as possible. As stated above, sales from January 1, 2014 through February 28, 2015 were used. There are a total of 1676 sales used, of which 65 are multiple parcel sales used collectively throughout the study. The total number of sales used was an

increase of approximately 19%. Submitted with this study is a file titled, "Clark County Ratio Study Reconciliation File". This file contains 3 worksheets, 1. Used but marked invalid – sales that were originally marked as invalid but used; 2. Trimmed Sales – listing of sales that were part of the DLGF reconciliation file, with an explanation as to why they were not used; 3. Valid sales trimmed by DLGF – listing of sales that were originally marked valid by the county but were not part of the DLGF reconciliation file. Within the submitted ratio study (Summary Worksheet) an explanation of what townships were grouped together within the various classifications throughout the county.

Clark County is committed to using as many sales as possible during the trending process and has taken steps to ensure that the sales used provides the most accurate information relating to the housing and commercial/industrial market within the county.

Grouping Changes:

Carr Township (Residential Vacant) experienced greater than a 10% increase. This was a result of newly platted subdivisions and the removal of developers discount pricing.

Utica Township (Industrial Improved) experienced greater than a 10% increase. This was the result of one new construction property that had an assessment valuation of greater than 7.9 million dollars.